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E.O. 12958: DECL: 03/17/2016

TAGS: PGOV PINR PE

SUBJECT: VIEWS FROM THE CAMPAIGN TRAIL: UNIDAD NACIONAL CANDIDATE LOURDES FLORES TRIES TO PULL HER CAMPAIGN TOGETHER FOR THE STRETCH RUN

Classified By: Political Counselor Alexander Margulies. Reason: 1.4(d).

SUMMARY

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- 11. (C) In recent conversations with Poloffs, Unidad Nacional alliance congressional candidates and advisors described a disorganized campaign struggling to come up with a formula to reverse presidential candidate Lourdes Flores' steady fall in the polls. Going into the last three weeks of the campaign, the plan is for Flores to concentrate her efforts on Lima and populous coastal regions where her base of support lies, and to paint the election as a contest between Flores, standing for democracy and economic growth, against ultra-nationalist "outsider" Union por el Peru candidate Ollanta Humala, who represents authoritarianism and a return to the failed statist economic policies of the past. Infighting and distrust between the alliance's component parties remains a problem, as does coordination between the campaign's Lima headquarters and its provincial officials. END SUMMARY.
- 12. (SBU) Poloffs have been sounding out Unidad Nacional (UN) alliance congressional candidates and advisors on the direction and prospects of their presidential and legislative campaign (UN is made up of Flores' Popular Christian Party (PPC), Lima Mayor Luis Castaneda's National Solidarity party (SN) and Congressman Rafael Rey's Renovation party). Over the past several weeks Poloffs met with UN congressional candidates Marco Parra (also Deputy Mayor of Lima and SN Secretary General), Raul Castro (also PCP Secretary General)

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and Milagros Campos; Andean Parliament candidate Francisco Sarmiento; PPC Political Secretary Percy Tabory; and former Interior Minister Fernando Rospigliosi (who has been counseling the Flores campaign).

A DISORGANIZED CAMPAIGN

- ¶3. (C) The general picture that emerged from these conversations was of a chronically disorganized campaign that still has yet to figure out how to get its act together. Two months ago Arturo Woodman, UN's candidate for First Vice President, lamented to visiting WHA P/DAS Charles Shapiro that the alliance's campaign had no/no formal command structure, with all decision-making up to Flores, who was on the campaign trail 24/7 and had little time to deal with organizational or logistical issues, which tended to fester in her absence (Ref C). None of those interviewed by Poloffs gave any indication that the situation has changed:
- -- Rospigliosi described the campaign's organization as "hopeless," opining that Flores' Colombian advisor Gloria Ramirez does not/not have a clue regarding the Peruvian electorate, and doubting that contracting Venezuelan political consultant Juan Jose Rendon will do anything but add to the campaign's confusion (Note: While a reliable source and newspaper reports stated that Rendon's contracting was a done deal, UN campaign headquarters told us 3/28 that no/no agreement has been reached. End Note). In comments to the media, the former Interior Minister said that UN's chief shortcoming has been Flores' failure to base the campaign on a single "strong idea or axis" that can resonate with voters.
- -- Castro complained that UN's press advisors are not up to par, noting that they have failed to obtain the necessary publicity for Flores' concrete proposals that could have wide popular appeal, such as her "My Neighborhood Secure, Peru Secure" law and order initiative.
- -- Tabory and Sarmiento agreed that the campaign has been badly managed, but argued that this is finally being addressed. They pointed out that Flores is making hard

decisions on campaign strategy, including a recent shift aimed at polarizing the electoral debate between Flores and Humala. They added that, with three weeks to go before the first round of voting, "coordinators" are finally being sent out from campaign headquarters in Lima to the provinces to ensure diffusion of a common message and to improve management of meetings and rallies.

DIVISIONS WITHIN THE ALLIANCE

- ¶4. (C) The three parties that make up UN have not/not been a model of cooperation throughout the campaign. Campos observed that the preferential voting system for Congress has a negative effect on alliances, as the component parts compete against each other for seats in the legislature (voters cast ballots for an alliance/party and then can write-in up to two "preferential" candidates: parties are awarded seats in proportion to their total vote in each electoral district; the individual candidates of each alliance/party who garner the most "preferential" votes win election). Parra agreed that the preferential vote complicates intra-alliance relations, explaining that many activists from his party only want to work for SN candidates and he has had a difficult time convincing them to also devote themselves to the Flores campaign. Only in early March, he said, did Flores show leadership on this issue and begin to rein-in the internal squabbling between alliance factions.
- 15. (C) Parra singled out Rafael Rey's Renovacion party as a particularly troublesome alliance partner. Percy Medina, Secretary General of the pro-democracy NGO Transparencia,

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told Polcouns that Transparencia's investigation into the defacing of many of Parra's billboards concluded that Renovacion members were chiefly responsible, not/not rival APRA party activists as had first been suspected. Tabory and Sarmiento, on the other hand, while saying that harmony has been restored within the alliance, also noted that SN is

spending most of its money promoting Parra, not Flores (who does not appear on Parra's billboards, and is only mentioned briefly at the conclusion of his radio ads), and that most of the campaign's leadership and work force is drawn from the PPC.

THE STRATEGY FOR THE STRETCH RUN

- 16. (C) Parra, Tabory and Sarmiento stated that in mid-March Flores decided to shift her campaign rhetoric from talking about her policy proposals to embrace harsh criticism of Humala (Ref A). This, they explained, was the central plank in a strategy to polarize the electorate between Flores, as the pro-democracy pro-economic growth candidate, and Humala, as a candidate who represents a return to authoritarianism and the failed polices of statist economic intervention. Campos emphasized that Flores needed to make it clear to the electorate that a vote for her meant a vote for jobs; a prescription the UN presidential candidate tried to fill with the claim that her administration would create 650,000 jobs annually (Ref B). Unfortunately for Flores, Tabory acknowledged, this claim had a skeptical reception from economists, the media and the public, although he argued that it was indeed achievable.
- 17. (C) Tabory and Sarmiento added that Flores will henceforth concentrate her personal appearances in Lima and other heavily populated departments where she has significant support that can be built on, such as Lambayeque, La Libertad, Junin, Ica, Piura, Arequipa and perhaps Cuzco. Other areas in southern Peru, they said, have been written off as Humala country, although they expect that many rural women, who have told pollsters they will back Humala like their husbands, will secretly vote for Flores in the end. UN's congressional candidates and activists are being pressured by Flores to start a door-to-door campaign in marginal and poor neighborhoods, where the C-E sectors (89 percent of the electorate) live. A media blitz is also planned to target C-E voters, recognizing that Flores already has the support of most of the A-B (upper and middle-class) sectors.
- 18. (S) Castro, Tabory and Sarmiento complained that UN has severe financial constraints while the Humala campaign is loaded with cash and spending money well beyond what its official campaign finance declarations would make possible. They surmised that Humala is receiving funds from Venezuelan President Hugo Chavez, but admitted that they had no/no hard proof to back this up. It is odd, Sarmiento wryly observed, "that the party of the rich has limited campaign funds, but the party of the poor is rich." (Note: A reliable source told us that the Flores campaign has, in fact, recently received a significant financial contribution. End Note.)

COMMENT

¶9. (C) The disjointed and disorganized Flores campaign is only starting to get its act together now that the finish line is coming into view. With adequate funding, a focused candidate and a strong message it is possible that Flores and her followers can reverse her steady downward slide in the polls (one percent weekly since mid-January - see Ref A and previous election updates). It remains to be seen, however, the extent to which Flores and the component parts of her UN alliance will follow-through on implementing their home stretch strategy, as well as the extent to which the targeted C-E sector audience will be receptive at this stage of the campaign. END COMMENT.